GOVERNMENT OF INDIA
URBAN DEVELOPMENT AND POVERTY ALLEVATION
LOK SABHA

UNSTARRED QUESTION NO:2278
ANSWERED ON:04.12.2001
CUT IN INTEREST RATE ON HOUSING LOAN UNDER NHLS
BAHADUR SINGH KOLI

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVATION be pleased to state:

(a) whether HUDCO has decided to cut interest rate on housing loan under `Niwas Home Loan Scheme` (NHLS);

(b) if so, the details thereof;

(c) whether the National Congress of Housing Co-operatives has urged the Union Government to provide cheaper loans to housing co-operatives; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE FOR URBAN DEVELOPMENT & POVERTY ALLEVIATION (SHRI BANDARU DATTATREYA)

(a)&(b): Yes, Sir. Details of the revision are given in Annexure.

(c)&(d): Yes, Sir. The Thirteenth National Congress of Housing Co-operatives has recommended that in view of the reduction in the Bank Rate by the Reserve Bank of India and prevailing low rate of interest in the housing finance sector, major financial institutions like Life Insurance Corporation(LIC), National Housing Bank (NHB) and Housing & Urban Development Corporation Ltd. (HUDCO) should provide loans to housing co-opratives at a rate of interest of 9% per annum.

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) AND (b) OF LOK SABHA UNSTARRED QUESTION NO.2278 4.12.2001.

DETAILS OF REDUCTION IN THE INTEREST RATES OF HUDCO NIWAS SCHEME W.E.F. 01.11.2001.

LOAN AMOUNT (IN.RS.)	RATES PRIOR TO 01.11.2001			NEW RATES W.E.F. 01.11.2001			EXTENT OF REDUCTION (%)
	FOR 5 YEAR TERM (%)	FOR 6-10 YEAR TERM (%)	FOR 11-15 YEAR TERM (%)	FOR 5 YEAR TERM (%)	FOR 6-10 YEAR TERM (%)	FOR 11-15 YEAR TERM (%)	
UPTO 50,000/-	11.50	11.50	11.50	11.50	11.50	11.50	NIL
50,0001 TO 2,00,000/-	12.00	12.00	12.00	11.75	11.75	11.75	0.25
2,00,001/- TO 20,00,000/-	12.25	12.75	12.75	11.75	12.00	12.25	0.50 TO 0.75
20,00,001/- TO 50,00,000/-	12.25	12.75	12.75	12.00	12.25	12.50	0.25 TO 0.50

NOTE:

1. For purchase of plots - 12% for repayment period upto 5 years and 12.25% for repayment period of 6-10 years.

2. For extension/improvement, NRI loans and loans for registration of existing dwelling units - 12.25%

3. 0.50% extra interest would be charged for repayment period of 16-20 years in case of purchase/construction/composite loan and 11-15 years in case of extension/improvement loans.